

BILL ANALYSIS

AB 42
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Date of Hearing: May 11, 2011

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Felipe Fuentes, Chair

AB 42 (Huffman) - As Amended: March 17, 2011

Policy Committee: Water, Parks and
Wildlife Vote: 13-0

Urgency: No State Mandated Local Program:
No Reimbursable: No

SUMMARY

This bill authorizes the Department of Parks and Recreation (DPR) to enter into agreements with nonprofit organizations for development, improvement, restoration, care, maintenance, administration or operation of state parks. Specifically, as proposed to be amended, this bill:

- 1) Authorizes DPR to enter into agreements with qualified nonprofit organizations for development, improvement, restoration, care, maintenance, administration or operation of state parks if doing so would enable the department to avoid closure of a unit or units of the state park system.
- 2) Limits to 20 the number of park units for which the department may enter into an agreement for operation of an entire park unit.
- 3) Requires an operating agreement for a park unit to honor existing concession agreements for that park unit.
- 4) Requires a nonprofit that enters into such an agreement to report annually to the department and requires the department to report to the Legislature biennially.
- 5) Specifies that all revenue generated by a park is to be spent only on the maintenance, improvement or operation of the park.
- 6) Sunsets the bill's provisions as of January 1, 2019.

FISCAL EFFECT

Unknown GF savings to operate state park units. The authority provided by the bill is discretionary. Presumably, DPR will not enter into agreements with nonprofits for the operation of state park units unless the cost to do so would be no more than equal to the cost to DPR to operate the park units itself.

COMMENTS

1)Rationale. The author contends the operating agreements authorized by this bill may help maintain public access to state parks until a permanent state parks funding source is secured.

2)Background. California's state park system is the largest in the nation and includes 278 state parks covering over 1.5 million acres of lands managed by the Department of Parks and Recreation. In recent years, support for the state park system declined and user fees increased. The Legislative Analyst reports an average annual shortfall of \$120 million for ongoing maintenance and operation of state parks, resulting in \$1.3 billion in deferred maintenance.

The 2011-12 Governor's Budget proposes an \$11 million reduction in GF support to DPR and anticipates an additional \$11 million GF reduction in 2012-13, for an ongoing annual GF budget reduction to DPR of \$22 million. It is anticipated the funding reductions will result in the full or partial closure of a number of state parks.

3)Proposed Amendments. The author has proposed amendments to the bill to:

- _____ a) Specify DPR may enter into agreements described only if doing so will enable to department to avoid closure of a unit or units of the state park system.
- _____ b) Limit to 20 the number of park units for which the department may enter into an agreement for operation of an entire park unit.
- _____ c) Require an operating agreement for a park unit to honor existing concession agreements for that park unit.
- _____ d) Define a qualified nonprofit organization as one that qualifies for exemption from taxation pursuant to the

Internal Revenue Code and has as its principal purpose providing park visitor and related services.

_____ e) Sunset the bill's provisions as of January 1, 2019.

_____ 4) Support. The bill is supported by numerous park supporters and advocates.

_____ 5) There is no registered opposition to this bill.

Analysis Prepared by : Jay Dickenson / APPR. / (916) 319-2081